

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2485 - SB 2457

March 15, 2012

SUMMARY OF BILL: Authorizes the Department of Revenue (DOR) to contract with any business entity to provide titling and registration services, normally performed by the Department or county clerk offices, for any fleet of motor vehicles. Defines “fleet” as 1,000 or more vehicles owned or long-term leased by a corporation or other legal entity registered in Tennessee. Requires any contract entered into under this authority be at no cost to DOR except for the cost of license plates, decals, forms and administrative costs that the Department would normally incur in titling and registering motor vehicles were it not for such contract. Establishes various requirements for any business entity contracted with to provide such titling and registration services. Authorizes the Commissioner of Revenue to cancel any contract when such business entity fails to perform the specified requirements, provided that the date of cancellation is 30 days after proper notice to the business entity. Authorizes the Commissioner to require a performance bond or other financial instrument from any such contracted business entity to ensure proper exercise of all components of a contract.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- This bill will not change the number of motor vehicles registered in Tennessee, nor does it change motor vehicle registration fees or county wheel tax fees; therefore, any change to state and local revenue derived from registration fees or county wheel tax fees is considered not significant.
- The bill prohibits the Department from incurring additional costs. Any increased expenditures incurred from vendor fees related to entering into a contract will be offset by reduced departmental expenditures in the Titling and Registration Division by contracting with a private vendor. It is estimated the net change to state expenditures is not significant.
- DOR indicates any fiscal impact would be minimal, as it does not change the law as it relates to fleet title and/or registration requirements or associated state fees.

HB 2485 – SB 2457

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/rnc